

REMARKS

Reconsideration of the application is earnestly requested. The Examiner is thanked for the telephone interview of May 25, 2006. During that interview Applicant explained that parsing of the MICR data downstream of the POS device (for example, at a drawee bank) and not at the POS device itself is advantageous and that this feature is being incorporated into the independent claims.

The Examiner has rejected independent claims 1, 20 and 31 under 35 USC §102 as being anticipated by *Farrar et al.* (*Farrar*). Independent claim 17 has been rejected under 35 USC §103 as being unpatentable over *Farrar* in view of *Business Wire*. Independent claim 9 has been rejected under 35 USC §103 as being unpatentable over *Farrar* in view of *Bezy*.

Although the Examiner's arguments have been carefully considered, Applicant respectfully traverses these rejections as explained below.

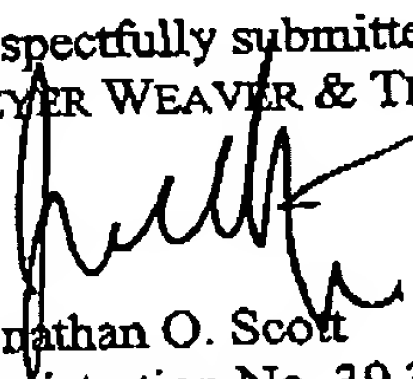
Claims 2 and 5 have been incorporated into claim 1. Claims 11 and 13 have been incorporated into claim 9. Claim 19 and language similar to claim 23 have been incorporated into claim 17. Claims 21 and 23 have been incorporated into claim 20. Claim 32 and language similar to claim 4 have been incorporated into claim 31.

Each of the independent claims now has language specifically requiring that parsing of the MICR data of the check is not performed at the POS device at the merchant point of sale, but instead occurs downstream at a drawee bank or at an authorizing institution. The advantages of this technique are explained in the Specification at page 22, first full paragraph. *Farrar* does not disclose parsing the MICR data downstream of the POS device. In fact, the only conclusion to be drawn from *Farrar* is that parsing of the MICR data does occur at the POS device. For example, column 16, lines 54-58 of *Farrar* indicate that the MICR data has already been parsed and that the routing number and account number are known before the data arrives at a downstream bank or authorizing institution.

For these reasons it is submitted that at least this feature of the independent claims is not taught or suggested by the art of record and it is requested that the rejections be withdrawn.

Reconsideration of this application and issuance of a Notice of Allowance at an early date are respectfully requested. If the Examiner believes a telephone conference would in any way expedite prosecution, please do not hesitate to telephone the undersigned at (612) 252-3330.

Respectfully submitted,  
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